



General Assembly

January Session, 2009

Raised Bill No. 1131

LCO No. 4869

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Referred to Committee on Energy and Technology

Introduced by:
(ET)

***AN ACT CONCERNING RENEWABLE ENERGY AND
WEATHERIZATION.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) On and after the effective
2 date of this section, an electric distribution company may offer and
3 implement a green community pilot program within one municipality
4 within its service territory. Such pilot program shall be the coordinated
5 effort among an electric distribution company, a municipality and
6 customers residing in the municipality with the goal of demonstrating
7 the effectiveness of intensive development and deployment of state-of-
8 the-art energy efficiency, load management and control and renewable
9 technologies. The program may include, but not be limited to,
10 development, promotion and installation of intensive, cost-effective
11 energy efficiency measures and equipment, fuel cells, thermal storage,
12 controls and monitoring equipment, renewable or emergency
13 generation, combined heat and power systems, light-emitting diode
14 street lights, smart appliances, electric vehicle charging infrastructure,
15 distribution line loss reduction, assessment and installation of river
16 turbines, advanced metering infrastructure or other relevant energy

17 technologies. The program may provide for enhanced financial
18 incentives to customers within the selected municipality for energy
19 technologies and may include up to one hundred per cent financing of
20 such technologies.

21 (b) An electric distribution company shall select one municipality as
22 a site for such pilot program within its service territory and shall
23 collaborate with such municipality on the design of the program. The
24 pilot municipality shall be selected based on several factors, including
25 customer base, municipal energy usage, circumstances that would
26 effectively demonstrate the pilot program technologies and support of
27 the municipality.

28 (c) Arrangements between a municipality or a customer within such
29 municipality and an electric distribution company may include
30 provisions for payments from such company based on a formula to
31 calculate monthly charges that provides for full recovery of any
32 incurred costs, including a return on investment based on the electric
33 distribution company's return on equity as approved by the
34 department in the electric distribution company's last rate case, based
35 on cost-of-service principles pursuant to section 16-19e of the general
36 statutes. Such formula and customer-specific charges shall be included
37 in each agreement. Projects under the pilot program shall be eligible
38 for any state or federal incentives, grants or credits, including, but not
39 limited to, those available under programs administered by the
40 renewable energy investments board or energy conservation
41 management board and any proceeds realized from such sources shall
42 be used to offset costs for projects undertaken pursuant to a green
43 community pilot program. Monthly charges may be included in such
44 customer's electric bills or charged separately. The net costs of said
45 pilot program shall be funded through the electric company's systems
46 benefits charge.

47 (d) Notwithstanding other provisions of the general statutes, a
48 municipal customer may negotiate and enter into arrangements with

49 an electric distribution company if such arrangements are pursuant to
50 a green community pilot program.

51 (e) Once a municipality has been selected for participation in a
52 green community pilot program, such municipality and the electric
53 distribution company shall jointly establish a development and
54 deployment plan and such company shall submit said plan to the
55 Department of Public Utility Control for review. The department shall
56 approve such pilot program within sixty days of submittal if such pilot
57 program is consistent with the provisions of this section, provided
58 such program shall not result in a net annual cost to be recovered in
59 the systems benefits charge that exceeds one mill per kilowatt-hour.

60 Sec. 2. (NEW) (*Effective July 1, 2009*) (a) There is established an
61 energy efficiency improvement program that shall be the coordinated
62 effort of a municipal or state electric customer and an electric
63 distribution company to provide for the development, installation and
64 recovery of energy efficiency equipment and systems at municipal or
65 state facilities. A not-for-profit hospital may participate in this
66 program at the discretion of and under terms agreeable to an electric
67 distribution company.

68 (b) Notwithstanding section 16-245m of the general statutes, an
69 electric distribution company may offer an energy efficiency
70 improvement program to its municipal or state customers to improve
71 the energy usage profile at such customers' facilities. Such program
72 shall establish arrangements between an electric distribution company
73 and a municipal or state customer in which the electric distribution
74 company shall develop projects designed to provide energy savings
75 from all fuel sources and other benefits for such facilities in the service
76 territory of said electric distribution company and repayment of the
77 entire cost of the project to the electric distribution company by the
78 specific municipal or state customer undertaking the project through a
79 customer-specific facilities charge. The provisions of section 16-43 of
80 the general statutes shall not apply to said energy efficiency

81 improvement program.

82 (c) The energy efficiency improvement program shall include, but
83 not be limited to, developing and installing cost-effective energy
84 efficiency measures and equipment, fuel cells, thermal storage, high
85 efficiency gas and oil boilers and burners, controls and monitoring
86 equipment, renewable or emergency generation, combined heat and
87 power systems and other relevant systems. An electric distribution
88 company shall use contractors and installers who provide services in
89 its service territory to assist in the development and installation of
90 technologies at such facilities to the extent practicable and economical.

91 (d) Arrangements between a municipal or state facility and an
92 electric distribution company shall provide for payments from such
93 facility based on a formula to calculate monthly charges that provides
94 for full recovery of any incurred costs, including a return on
95 investment based on the electric distribution company's return on
96 equity as approved by the department in the electric distribution
97 company's last rate case, based on cost-of-service principles pursuant
98 to section 16-19e of the general statutes. Such formula and facility-
99 specific charges shall be included in each agreement. Monthly charges
100 may be designed in a manner that provides for levelized repayment.
101 Such projects shall be eligible for any state or federal incentives, grants
102 or credits, including, but not limited to, those available under
103 programs administered by the Renewable Energy Investments Board,
104 and any proceeds realized from such sources shall be used to offset
105 costs for projects undertaken pursuant to the energy efficiency
106 improvement program. Monthly charges may be included in such
107 customer's electric bills or charged separately.

108 (e) If an electric distribution company seeks to include monthly
109 charges in customer electric bills pursuant to subsection (d) of this
110 section, it may seek approval of a rate or tariff to permit such charge
111 and the Department of Public Utility Control shall approve such rate
112 or tariff within sixty days of such request.

113 (f) Arrangements between an electric distribution company and a
114 municipal or state customer may be of a duration not to exceed ten
115 years, but if the project includes the installation of renewable,
116 emergency or combined heat and power generation, building envelope
117 improvements, thermal storage or cooling equipment, such
118 arrangement may be for a period of up to twenty years.

119 (g) An electric distribution company that implements an energy
120 efficiency improvement program pursuant to this section shall
121 determine the duration and level of annual funding for such program
122 provided such funding shall not exceed one per cent of its total annual
123 revenues for the last calendar year as reported to the department. Such
124 company may terminate the program at any time, provided
125 arrangements in place shall continue to be enforced.

126 (h) Notwithstanding any provisions of the general statutes,
127 municipal or state customers may negotiate and enter into agreements
128 with an electric distribution company in which service territory such
129 facility resides if such arrangements are pursuant to an energy
130 efficiency improvement program developed pursuant to this section.

131 Sec. 3. Subdivision (44) of subsection (a) of section 16-1 of the
132 general statutes is repealed and the following is substituted in lieu
133 thereof (*Effective July 1, 2009*):

134 (44) "Class III source" means the electricity output from combined
135 heat and power systems with an annual operating efficiency level of no
136 less than fifty per cent that are part of customer-side distributed
137 resources developed at commercial and industrial facilities in this state
138 on or after January 1, 2006, a waste heat recovery system installed on
139 or after April 1, 2007, that produces electrical or thermal energy by
140 capturing preexisting waste heat or pressure from industrial or
141 commercial processes, or the electricity savings created in this state
142 from conservation and load management programs begun on or after
143 January 1, 2006.

144 Sec. 4. (NEW) (*Effective from passage*) (a) On and after January 1,
145 2010, electric distribution and electric companies shall implement a
146 tiered distribution charge for residential customers. The first of such
147 tiers shall represent the base average consumption with tiers
148 increasing in blocks of kilowatt-hours as determined by the electric
149 distribution companies. Residential electric space heating tariff
150 customers shall be exempt from such tiered charges established
151 pursuant to this section.

152 (b) Any additional money generated from the tiered distribution
153 charge implemented pursuant to subsection (a) of this section shall be
154 transferred to the Conservation and Load Management Fund to be
155 used to install solar thermal domestic hot water systems.

156 Sec. 5. (NEW) (*Effective from passage*) (a) The Office of Policy and
157 Management shall develop a plan to use any federal economic
158 stimulus funds available pursuant to the American Recovery and
159 Reinvestment Act of 2009 to develop a weatherization program for
160 residents who heat their homes with oil or gas and do not qualify for
161 other weatherization programs.

162 (b) On or before July 1, 2009, the Office of Policy and Management
163 shall report, in accordance with the provisions of section 11-4a of the
164 general statutes, to the joint standing committee of the General
165 Assembly having cognizance of matters relating to energy with regard
166 to the program developed pursuant to subsection (a) of this section.

167 Sec. 6. Subsection (b) of section 16-245a of the general statutes is
168 repealed and the following is substituted in lieu thereof (*Effective from*
169 *passage*):

170 (b) An electric supplier or electric distribution company may satisfy
171 the requirements of this section (1) by purchasing certificates issued by
172 the New England Power Pool Generation Information System,
173 provided the certificates are for (A) energy produced by a generating
174 unit using Class I or Class II renewable energy sources and the

175 generating unit is located in the jurisdiction of the regional
 176 independent system operator, or (B) energy imported into the control
 177 area of the regional independent system operator pursuant to New
 178 England Power Pool Generation Information System Rule 2.7(c), as in
 179 effect on January 1, 2006; (2) for those renewable energy certificates
 180 under contract to serve end-use customers in the state on or before
 181 October 1, 2006, by participating in a renewable energy trading
 182 program within said jurisdictions as approved by the Department of
 183 Public Utility Control; or (3) by purchasing eligible renewable
 184 electricity and associated attributes from [residential] customers who
 185 are net producers.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2009</i>	New section
Sec. 3	<i>July 1, 2009</i>	16-1(a)(44)
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	16-245a(b)

Statement of Purpose:

To promote renewable energy and weatherization projects.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]